

A regular meeting of the **PENSION BOARD** was held today, Chairman Morton J. Simon, Jr. presiding. Staff members present were Joseph Galdo, Director of Fiscal Affairs and David G. Kraynik, Township Manager. Present were Marc Ammaturo, PFM Advisors and Mark Gensheimer, C.S. McKee. Also present were William David Webb and Joanne Labiak.

1. Messrs. Ammaturo and Gensheimer reported on the overall performance of the economy and capital markets during the third quarter of 2011.

2. Mr. Ammaturo reported on the specific performance of all four (4) pension plans for the third quarter ending September 30, 2011, as follows:

- a) **Police:** This plan had a 12.35% decrease in earnings with \$3,310,441 in negative returns/net flows for the quarter. The total portfolio value was \$20,575,381.
- b) **Salaried:** This plan had a 12.70% decrease in earnings with \$1,565,033 in negative gains/net flows for the quarter. The total portfolio value was \$9,490,214.
- c) **Hourly:** This plan had a 12.34% decrease in earnings with \$1,063,795 in negative gains/net flows for the quarter. The total portfolio value was \$6,824,905.
- d) **Commissioners:** This plan had a 14.43% decrease in earnings with \$37,402 in negative gains/net flows for the quarter. The total portfolio value was \$186,933.

Mr. Ammaturo then reviewed updated performance worksheets for each of the plans for the period ending November 2, 2011 (see attached).

3. Mr. Gensheimer reviewed the performance of the funds managed by C. S. McKee in all four (4) pension plans for the third quarter ending September 30, 2011 as follows:

- e) **Police:** This plan had \$3,278,521 in negative returns/net flows for the quarter with \$18,844,885 in ending market value and a 13.12% decrease in earnings.

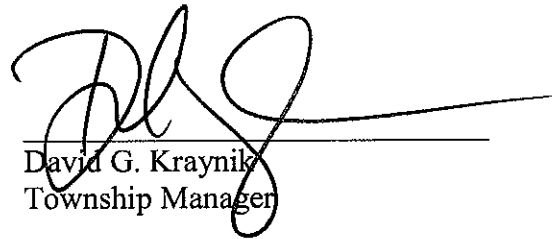
g) **Hourly:** This plan had \$1,030,525 in negative returns/net flows for the quarter with \$5,576,844 in ending market value and a 14.75% decrease in earnings.

h) **Commissioners:** This plan had \$36,149 in negative returns/net flows for the quarter with \$175,705 in ending market value and a 15.32% decrease in earnings.

Mr. Gensheimer then reviewed updated performance worksheets for each of the plans for the period ending October 31, 2011 (see attached).

4. Due to a lack of quorum, the discussion on a fee increase request by the PFM Group was deferred to a future meeting.

There being no further business, the meeting was adjourned.



David G. Kraynik
Township Manager

Cheltenham Township Police Pension Plan

Account Rebalancing Worksheet

Period Ending November 2, 2011

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
DOMESTIC EQUITY (34%-44%)	\$8,949,941	39.03%	39.00%	0.03%	\$5,798	
C.S. McKee - <i>All Cap Core</i>	\$8,949,941	39.03%	39.00%	0.03%	\$5,798	
INTERNATIONAL EQUITY (16%-26%)	\$4,354,281	18.99%	21.00%	-2.01%	(\$461,796)	
C.S. McKee - <i>International</i>	\$3,813,825	16.63%	18.50%	-1.87%	(\$428,910)	
Oppenheimer - <i>Emerging</i>	\$540,457	2.36%	2.50%	-0.14%	(\$32,886)	
INFLATION HEDGE (6%-14%)	\$2,747,736	11.98%	10.00%	1.98%	\$454,366	
Cohen & Steers - <i>REIT</i>	\$1,412,091	6.16%	5.00%	1.16%	\$265,406	
PIMCO - <i>Commodities</i>	\$1,335,645	5.82%	5.00%	0.82%	\$188,960	
DOMESTIC FIXED INCOME (25%-35%)	\$6,881,743	30.01%	30.00%	0.01%	\$1,633	
C.S. McKee - <i>Core Fixed</i>	\$5,161,966	22.51%	22.50%	0.01%	\$1,633	
Hartford - <i>Annuity*</i>	\$1,719,777	7.50%	7.50%	0.00%	\$0	
CASH AND CASH EQUIVALENT (0%-10%)	\$0	0.00%	0.00%	0.00%	\$0	
Total Plan	\$22,933,702	100.00%	100.00%	0.00%	\$0	

*Value as of 10/31/11

Cheltenham Township Salaried Employees' Pension Plan
Account Rebalancing Worksheet
 Period Ending November 2, 2011

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
DOMESTIC EQUITY (34%-44%)	\$4,180,337	39.24%	39.00%	0.24%	\$25,872	
C.S. McKee - <i>All Cap Core</i>	\$4,180,337	39.24%	39.00%	0.24%	\$25,872	
INTERNATIONAL EQUITY (16%-26%)	\$1,993,550	18.71%	21.00%	-2.29%	(\$243,470)	
C.S. McKee - <i>International</i>	\$1,743,488	16.37%	18.50%	-2.13%	(\$227,220)	
Oppenheimer - <i>Emerging</i>	\$250,062	2.35%	2.50%	-0.15%	(\$16,250)	
INFLATION HEDGE (6%-14%)	\$1,391,544	13.06%	10.00%	3.06%	\$326,296	
Cohen & Steers - <i>REIT</i>	\$735,125	6.90%	5.00%	1.90%	\$202,501	
PIMCO - <i>Commodities</i>	\$656,419	6.16%	5.00%	1.16%	\$123,795	
DOMESTIC FIXED INCOME (25%-35%)	\$3,087,045	28.98%	30.00%	-1.02%	(\$108,698)	
C.S. McKee - <i>Core Fixed</i>	\$1,575,967	14.79%	15.81%	-1.02%	(\$108,698)	
Hartford - <i>Annuity*</i>	\$1,511,078	14.19%	14.19%	0.00%	\$0	
CASH AND CASH EQUIVALENT (0%-10%)	\$0	0.00%	0.00%	0.00%	\$0	
Total Plan	\$10,652,476	100.00%	100.00%	0.00%	(\$0)	

*Value as of 10/31/11

Cheltenham Township Hourly Employees' Pension Plan
Account Rebalancing Worksheet
 Period Ending November 2, 2011

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
DOMESTIC EQUITY (34%-44%)	\$3,041,667	39.68%	39.00%	0.68%	\$52,465	
C.S. McKee - <i>All Cap Core</i>	\$3,041,667	39.68%	39.00%	0.68%	\$52,465	
INTERNATIONAL EQUITY (16%-26%)	\$1,418,558	18.51%	21.00%	-2.49%	(\$191,012)	
C.S. McKee - <i>International</i>	\$1,240,234	16.18%	18.50%	-2.32%	(\$177,720)	
Oppenheimer - <i>Emerging</i>	\$178,324	2.33%	2.50%	-0.17%	(\$13,292)	
INFLATION HEDGE (6%-14%)	\$911,612	11.89%	10.00%	1.89%	\$145,150	
Cohen & Steers - <i>REIT</i>	\$523,242	6.83%	5.00%	1.83%	\$140,011	
PIMCO - <i>Commodities</i>	\$388,370	5.07%	5.00%	0.07%	\$5,139	
DOMESTIC FIXED INCOME (25%-35%)	\$2,292,784	29.91%	30.00%	-0.09%	(\$6,602)	
C.S. McKee - <i>Core Fixed</i>	\$1,055,887	13.78%	13.86%	-0.09%	(\$6,602)	
Hartford - <i>Annuity*</i>	\$1,236,897	16.14%	16.14%	0.00%	\$0	
CASH AND CASH EQUIVALENT (0%-10%)	\$0	0.00%	0.00%	0.00%	\$0	
Total Plan	\$7,664,621	100.00%	100.00%	0.00%	\$0	

*Value as of 10/31/11.

Cheltenham Township Commissioners' Pension Plan Account Rebalancing Worksheet Period Ending November 2, 2011

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
DOMESTIC EQUITY (34%-44%)	\$84,742	42.90%	39.00%	3.90%	\$7,700	
C.S. McKee - <i>All Cap Core</i>	\$84,742	42.90%	39.00%	3.90%	\$7,700	
INTERNATIONAL EQUITY (16%-26%)	\$38,684	19.58%	21.00%	-1.42%	(\$2,800)	
C.S. McKee - <i>International</i>	\$33,740	17.08%	18.50%	-1.42%	(\$2,805)	
Oppenheimer - <i>Emerging</i>	\$4,944	2.50%	2.50%	0.00%	\$5	
INFLATION HEDGE (6%-14%)	\$22,080	11.18%	10.00%	1.18%	\$2,325	
Cohen & Steers - <i>REIT</i>	\$10,755	5.44%	5.00%	0.44%	\$878	
PIMCO - <i>Commodities</i>	\$11,324	5.73%	5.00%	0.73%	\$1,447	
DOMESTIC FIXED INCOME (25%-35%)	\$52,038	26.34%	30.00%	-3.66%	(\$7,225)	
C.S. McKee - <i>Core Fixed</i>	\$41,230	20.87%	24.53%	-3.66%	(\$7,225)	
Hartford - <i>Annuity*</i>	\$10,808	5.47%	5.47%	0.00%	\$0	
CASH AND CASH EQUIVALENT (0%-10%)	\$0	0.00%	0.00%	0.00%	\$0	
Total Plan	\$197,543	100.00%	100.00%	0.00%	(\$0)	

*Value as of 10/31/11



Preliminary Performance Update

Cheltenham Police Pension

Asset Allocation

10/31/2011

Client Code: 91232
 As of: 10/31/2011

All information presented is preliminary and can differ significantly from final results.
 Fixed income performance reflects the most recent prices available, and may have not been updated since the prior month close.

For questions regarding performance, please contact Soundar Nadarajan at soundar@csrmckee.com

Overview

10/31/2011

Portfolio Summary - Month-to-Date

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
Beginning Market Value:	18,844,885.06	7,543,913.29	2,917,322.56	10,461,235.85	4,834,220.57	3,549,428.64
Net Contributions (Distributions):	811,871.34	811,871.34	-	811,871.34	-	-
Income:	16,890.56	4,481.85	1,543.86	6,025.71	10,864.85	-
Market Appreciation (Depreciation):	1,790,470.61	949,329.23	441,332.15	1,390,661.38	23,135.17	376,674.06
Ending Market Value:	21,464,117.57	9,309,595.71	3,360,198.57	12,669,794.28	4,858,220.59	3,926,102.70
Dollar-Weighted Return:	9.59%	12.64%	15.18%	13.35%	0.70%	10.61%

* Please note that dollar-weighted returns do not time-weight cash flows, and may not fairly represent actual returns for the period

Time-weighted Returns - Gross of Fees

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
MTD	9.23%	13.04%	15.19%	13.77%	0.71%	10.61%
Cheltenham Police Pension	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Benchmark (see detail below)	2.53%	2.11%	0.05%	2.41%	0.60%	0.97%
Value Added	9.23%	13.04%	15.19%	13.77%	0.71%	10.61%
Cheltenham Police Pension	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Benchmark (see detail below)	2.53%	2.11%	0.05%	2.41%	0.60%	0.97%
Value Added	-0.37%	3.44%	-3.71%	0.72%	7.36%	-10.71%
Cheltenham Police Pension	3.11%	1.30%	4.48%	0.77%	6.76%	-6.79%
Benchmark (see detail below)	-3.48%	2.14%	0.75%	-0.05%	0.60%	-3.93%
Value Added	3.78%	8.63%	8.13%	8.12%	5.94%	-8.21%
Cheltenham Police Pension	6.40%	8.09%	6.71%	8.02%	5.00%	-4.08%
Benchmark (see detail below)	-2.62%	0.54%	1.42%	0.10%	0.94%	-4.13%
Value Added						
1 Year						
Cheltenham Police Pension						
Benchmark (see detail below)						
Value Added						

Performance start dates for segments:

7/1/2005 7/1/2005 7/1/2005 7/1/2005 7/1/2005 7/1/2005
 If the performance inception date falls with the time period represented above then the performance numbers are since the inception date
 If inception date is within the past year, the inception-to-date return is not annualized

Benchmark Details:

45% S&P 500, 5% Russell
 2000, 40% BC Aggregate,
 10% EAFE

100% S&P 500

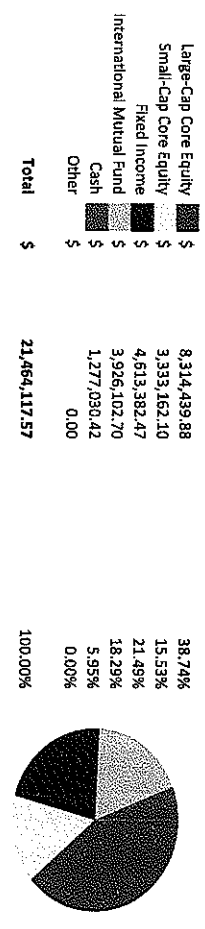
100% Russell 2000

90% S&P 500, 10% Russell
 2000

100% BC Aggregate

100% EAFE

Note: Benchmark detail reflects the allocation as of 10/31/2011. The actual blended benchmark returns may reflect different allocations if they have changed over time.





Preliminary Performance Update

Cheltenham Hourly Empl Pen

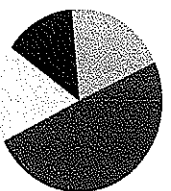
Asset Allocation

10/31/2011

Client Code: 91231
As of: 10/31/2011

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Fixed income performance reflects the most recent prices available, and may have not been updated since the prior month date

Asset Class	Value	Percentage
Large-Cap Core Equity	\$ 2,778,334.94	42.66%
Small-Cap Core Equity	\$ 1,113,952.70	17.10%
Fixed Income	\$ 893,935.94	13.72%
International Mutual Fund	\$ 1,276,746.56	19.60%
Cash	\$ 450,381.75	6.91%
Other	\$ (0.00)	0.00%
Total	\$ 6,513,351.89	100.00%



For questions regarding performance, please contact Sounder Naderajan at soundar@csckee.com

OVERVIEW

10/31/2011

Portfolio Summary - Month-to-Date

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
Beginning Market Value:	5,576,844.04	2,499,451.51	977,909.69	3,477,361.20	945,228.57	1,154,254.27
Net Contributions (Distributions):	338,226.77	338,226.77	-	338,226.77	-	-
Income:	4,371.25	1,589.06	533.80	2,122.86	2,248.39	-
Market Appreciation (Depreciation):	593,909.83	318,800.17	147,972.94	466,773.11	4,644.43	122,492.29
Ending Market Value:	6,513,351.89	3,158,067.51	1,126,415.43	4,284,483.94	952,121.39	1,276,746.56
Dollar-Weighted Return:	10.73%	12.82%	15.19%	13.48%	0.73%	10.61%

* Please note that dollar-weighted returns do not time-weight cash flows, and may not fairly represent actual returns for the period

Time-weighted Returns - Gross of Fees

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
MTD						
Cheltenham Hourly Empl Pen	10.43%	12.93%	15.19%	13.67%	0.73%	10.61%
Benchmark (see detail below)	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Value Added	3.73%	2.00%	0.05%	2.31%	0.62%	0.97%
QTD						
Cheltenham Hourly Empl Pen	10.43%	12.93%	15.19%	13.67%	0.73%	10.61%
Benchmark (see detail below)	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Value Added	3.73%	2.00%	0.05%	2.31%	0.62%	0.97%
YTD						
Cheltenham Hourly Empl Pen	-1.07%	3.82%	-3.40%	1.07%	7.31%	-10.71%
Benchmark (see detail below)	3.11%	1.90%	-4.46%	0.77%	6.76%	-6.78%
Value Added	-4.18%	2.52%	1.06%	0.30%	0.55%	-3.93%
1 Year						
Cheltenham Hourly Empl Pen	3.55%	9.02%	8.28%	8.51%	5.79%	-8.21%
Benchmark (see detail below)	6.40%	8.09%	6.71%	8.02%	5.00%	-4.08%
Value Added	-2.85%	0.93%	1.57%	0.49%	0.79%	-4.13%

Performance start dates for segments:

7/1/2005 7/1/2005 7/1/2005 7/1/2005 7/1/2005 7/1/2005
If the performance inception date falls with the time period represented above then the performance numbers are since the inception date
If inception date is within the past year, the inception-to-date return is not annualized

Benchmark Detail:

45% S&P 500, 5% Russell
2000, 40% BC Aggregate,
10% EAFE

100% S&P 500

100% Russell 2000

90% S&P 500, 10% Russell
2000

100% BC Aggregate

100% EAFE

Note: Benchmark detail reflects the allocation as of 10/31/2011. The actual blended benchmark returns may reflect different allocations if they have changed over time.



Preliminary Performance Update

Cheltenham Salaried EmpI Pen

Asset Allocation

10/31/2011

Client Code: 91233
 As of: 10/31/2011

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 Fixed income performance reflects the most recent prices available, and may have not been updated since the prior month close

For questions regarding performance, please contact Soundar Nadarajan at soundar@csckee.com

Asset Class	Value	Percentage
Large-Cap Core Equity	\$ 3,964,573.30	42.81%
Small-Cap Core Equity	\$ 1,531,576.80	16.54%
Fixed Income	\$ 1,339,179.76	14.46%
International Mutual Fund	\$ 1,794,815.35	19.38%
Cash	\$ 629,997.40	6.80%
Other	\$ 0.00	0.00%
Total	\$ 9,260,242.61	100.00%



Overview

10/31/2011

Portfolio Summary - Month-to-Date

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
Beginning Market Value:	7,972,080.32	3,594,658.83	1,335,368.76	4,930,027.59	1,419,433.68	1,622,619.05
Net Contributions (Distributions):	447,867.00	447,867.00	-	447,867.00	-	-
Income:	5,825.41	2,183.77	702.64	2,886.41	2,939.00	-
Market Appreciation (Depreciation):	834,469.88	452,537.82	202,499.95	655,037.77	7,235.81	172,196.30
Ending Market Value:	9,260,242.61	4,497,247.42	1,538,571.35	6,035,818.77	1,429,608.49	1,794,815.35
Dollar-Weighted Return:	10.54%	12.65%	15.22%	13.35%	0.72%	10.61%

* Please note that dollar-weighted returns do not time-weight cash flows, and may not fairly represent actual returns for the period

Time-weighted Returns - Gross of Fees

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
MTD						
Cheltenham Salaried EmpI Pen	10.26%	12.91%	15.22%	13.66%	0.72%	10.61%
Benchmark (see detail below)	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Value Added	3.56%	1.98%	0.08%	2.30%	0.61%	0.97%
QTD						
Cheltenham Salaried EmpI Pen	10.26%	12.91%	15.22%	13.66%	0.72%	10.61%
Benchmark (see detail below)	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Value Added	3.56%	1.98%	0.08%	2.30%	0.61%	0.97%
YTD						
Cheltenham Salaried EmpI Pen	-1.13%	3.54%	-4.04%	0.73%	7.31%	-10.70%
Benchmark (see detail below)	3.11%	1.30%	-4.46%	0.77%	6.76%	-6.78%
Value Added	-4.24%	2.24%	0.42%	-0.04%	0.55%	-3.92%
1 Year						
Cheltenham Salaried EmpI Pen	3.50%	8.87%	7.65%	8.14%	5.81%	-8.21%
Benchmark (see detail below)	6.40%	8.09%	6.71%	8.02%	5.00%	-4.08%
Value Added	-2.90%	0.78%	0.94%	0.12%	0.81%	-4.13%

Performance start dates for segments:

7/1/2005 7/1/2005 7/1/2005 7/1/2005 7/1/2005

If the performance inception date falls within the time period represented above then the performance numbers are since the inception date
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Benchmark Detail:

45% S&P 500, 5% Russell 2000, 40% BC Aggregate, 10% EAFE

100% S&P 500

100% Russell 2000

90% S&P 500, 10% Russell 2000

100% BC Aggregate

100% EAFE

Note: Benchmark detail reflects the allocation as of 10/31/2011. The actual blended benchmark returns may reflect different allocations if they have changed over time.



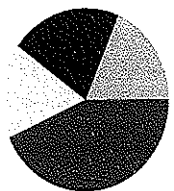
Preliminary Performance Update

Cheltenham Commissioners Pen

Asset Allocation

10/31/2011

Asset Class	Value (\$)	Percentage (%)
Large-Cap Core Equity	\$ 81,858.81	43.21%
Small-Cap Core Equity	\$ 31,861.96	16.82%
Fixed Income	\$ 40,555.51	21.41%
International Mutual Fund	\$ 34,733.46	18.33%
Cash	\$ 450.95	0.24%
Other	\$ 0.00	0.00%
Total	\$ 189,460.69	100.00%



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For questions regarding performance, please contact Soundar Nadarajan at soundar@csckee.com

OVERVIEW

10/31/2011

Portfolio Summary - Month-to-Date

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
Beginning Market Value:	175,704.98	74,128.07	27,637.72	101,765.79	42,538.09	31,401.10
Net Contributions (Distributions):	(1,562.64)	-	-	-	(1,562.64)	-
Income:	62.28	-	-	-	62.28	-
Market Appreciation (Depreciation):	15,256.07	7,730.74	4,224.24	11,954.98	(31.27)	3,332.36
Ending Market Value:	189,460.69	81,858.81	31,861.96	113,720.77	41,006.46	34,733.46
Dollar-Weighted Return:	8.72%	10.43%	15.28%	11.75%	0.07%	10.61%

* Please note that dollar-weighted returns do not time-weight cash flows, and may not fairly represent actual returns for the period

Time-weighted Returns - Gross of Fees

	Total Portfolio	Large-Cap Core Equity	Small-Cap Core Equity	Total Domestic Equity	Fixed Income	International Mutual Fund
MTD						
Cheltenham Commissioners Pen	8.35%	10.00%	15.28%	11.89%	0.10%	10.61%
Benchmark (see detail below)	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Value Added	1.65%	-0.93%	0.14%	0.53%	-0.01%	0.97%
QTD						
Cheltenham Commissioners Pen	8.35%	10.00%	15.28%	11.89%	0.10%	10.61%
Benchmark (see detail below)	6.70%	10.93%	15.14%	11.36%	0.11%	9.64%
Value Added	1.65%	-0.93%	0.14%	0.53%	-0.01%	0.97%
YTD						
Cheltenham Commissioners Pen	-3.39%	-4.49%	-2.56%	-3.73%	4.84%	-10.71%
Benchmark (see detail below)	3.11%	1.30%	-4.46%	0.77%	6.76%	-5.78%
Value Added	-6.50%	-5.79%	1.90%	-4.50%	-1.92%	-3.93%
1 Year						
Cheltenham Commissioners Pen	2.09%	4.95%	8.40%	6.22%	4.36%	-8.21%
Benchmark (see detail below)	6.40%	8.09%	6.71%	8.02%	5.00%	-4.08%
Value Added	-4.31%	-3.14%	1.69%	-1.80%	-0.64%	-4.13%

Performance start dates for segments:

If the performance inception date falls within the time period represented above then the performance numbers are since the inception date. If inception date is within the past year, the inception-to-date return is not annualized.

Segment	7/1/2005	7/1/2005	7/1/2005	7/1/2005	7/1/2005	7/1/2005
Benchmark Details:	45% S&P 500, 5% Russell 2000, 40% BC Aggregate, 10% EAFE	100% S&P 500	100% Russell 2000	90% S&P 500, 10% Russell 2000	100% BC Aggregate	100% EAFE

Note: Benchmark detail reflects the allocation as of 10/31/2011. The actual blended benchmark returns may reflect different allocations if they have changed over time.